

Minutes of the Regular Work Session of the
Board of Mayor and Aldermen, City of Kingsport, Tennessee
Monday, September 20, 2010, 4:30 PM
Council Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Mayor Dennis R. Phillips

Alderman Valerie Joh

Vice-Mayor Benjamin K. Mallicote

(arrived shortly after roll call)

Alderman Larry A. Munsey

Alderman Tom C. Parham

Alderman Jantry Shupe

City Administration

John G. Campbell, City Manager

J. Michael Billingsley, City Attorney

James H. Demming, City Recorder

1. **CALL TO ORDER:** 4:30 p.m., by Mayor Phillips.
2. **ROLL CALL:** By City Recorder Demming. Absent: Alderman Marsh.
3. **SESSION TICKLER.** Public Works Director Ryan McReynolds noted that they are waiting on direction from the Board whether to use either brick or stamped asphalt for the Netherland Inn Bumpout project. It was the consensus of the Board to go with the brick.

Mayor Philips commended Mr. McReynolds on the Harbor Chapel Road presentation made at the last meeting and the Board concurred.

Mayor Phillips noted that the V.O. Dobbins dedication ceremony is set for Friday, September 24th at 4:00 p.m.

Assistant to the City Manager Chris McCartt discussed the details on the Ropes Course at Bays Mountain. He noted that they have elected to do the low course and high course in the first phase with the option to do the junior course at a later date. He added that they are \$40,000 short, but staff is looking at options to close that gap through private funding and possibly extra funding from the BMT Committee. The expected completion date is late November or early December.

Alderman Parham voiced concerns regarding the timeline of the Memorial Blvd extension of the Greenbelt.

Alderman Joh asked about current plans for the fishing hole in Ridgefields. Ronnie Hammonds, Street Sanitation Manager, noted that it is still open for fishing. Mr.

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McReynolds stated that they have a set of plans to bring to the Board. Mr. McCart noted that the TWRA Grant did not pan out.

Alderman Shupe asked if the installation of lights on the new Netherland Inn Bridge was finished. Mr. McReynolds answered yes, that only five lights were in the plan.

4. MEADOWVIEW BUSINESS UPDATE. Andy King, General Manager of Marriott gave a presentation on this item. Mr. King explained that he would be talking about the financial highlights of 2009-2010 as well as the outlook for 2010-2011, updates on sales and marketing, expansion update and the golf course. Mr. King noted that sales were down half a million due to cancellations, but the good news is that we only missed budget by \$125K. He noted that they reduced capital expenditures last year which resulted in a savings of \$129K. He added that even though sales were down the economic impact to the community was \$22 million dollars. Mr. King noted that they ranked #1 in all the Marriot hotels for event satisfaction and ranked in the top 5 in sales, planning, meeting facilities and billing. Currently they are #2 in the Southern Americas Region for event satisfaction. He stated that occupancy as well as group rooms were up this year in comparison to last year. He added that the average occupancy rate on weekdays is 25% to 28% and 60% on weekends. He also noted that weekend business has increased due to the swimming pool and tourism business from KCVD. Mr. King presented their new sales brochure with new logo and their brand voice. He noted that in the current year bookings of group rooms was up 41%, group catering revenue up 12% and December local catering is up 117% compared to same time last year. Executive Conference Center future bookings including catering totals \$433,138 and the forecasted catering revenue for December is 49% better than last year. He noted that they have received the "Best of the South Award" from a top magazine. Mr. King gave a progress update on the expansion project noting they are not confident that it will open on time. The projected completion date was October 16, 2010 but we don't think we can hit that date. He noted that they hope to have fire systems and safety equipment installed in November and open in December.

Pete DeBraal gave an update on the Cattails Golf Course for 2009 and 2010. He noted that in December 2009 they replaced all bunkers, improved drainage, worked on the patio and made some gas line repairs. He added that the construction of the Aquatic Center would not impact them much at the present. There were 736 cards sold in 2009 and to date there are 672 cards sold for 2010. He added that they offered incentives on 2010 golf cards such as discounts on rounds of golf, Golf Shop merchandise and The Meadows restaurant. He explained that the weather played a big role in their revenues for 2009-2010. He added that they are working on several things as far as marketing such as daily updates on facebook and establishing the text club. Mayor Phillips voiced his concerns that people think the golf course is for guests only or that it is a private course. He suggested installing a sign on Wilcox Drive stating that it is a public golf course to get more people interested. City Manager Campbell responded that it would have to comply with our sign ordinance.

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5. DISCUSS LETTER FROM SULLIVAN COUNTY ELECTION COMMISSION DIRECTOR, JASON BOOHER, ABOUT TIMING OF CITY ELECTIONS. Mayor Phillips explained that they received a letter from the Administrator of Elections Jason Booher in regard to changing the City election date to coincide with the Sullivan County election to increase turnout. After a brief discussion, Mayor Phillips noted that the date of the City election would not be changed.

6. DISCUSS SECOND MEETING IN OCTOBER. Mayor Phillips explained that the City Manager and Assistant City Manager would be attending a conference at the time of the second meeting of October and asked that BMA members review their calendars regarding moving the October 18 and 19 meetings to October 25 and 26.

7. REVIEW OF AGENDA ITEMS ON SEPTEMBER 21, 2010 REGULAR BUSINESS AGENDA. City Manager Campbell, members of staff and community members provided a summary or presentation for each item on the proposed agenda. Those items the Board discussed at greater length or which received specific questions or concerns included:

VI.AA.1 Public Hearing for Annexation Annual Plan of Services Report (AF: 284-2010) City Planner Forrest Koder gave a brief presentation on this item noting we are up to date that on the plan of services for the six areas listed. Alderman Parham stated that the Planning Commission 1) unanimously approved a recommendation to the BMA to go forward on the first three Colonial Heights annexations, 2) is establishing a five year comprehensive annexation plan that will be coming in the next few months, and 3) looked at the Cooks Point bond issue and in summary the staff and the Planning Commission recognized that under the economic circumstances the developer had done a good job. He noted that the developer will finish the paving and submit a new bond for the remaining improvements. He stated that they will not be calling the existing bond.

VI.AA.2 Public Hearing and Consideration of an Ordinance to Amend the Zoning Code and Text Governing Nonconforming Uses (AF: 288-2010) City Planner Karen Combs explained that this ordinance will allow us to comply with the state law which was changed recently in relation to nonconforming businesses.

VI.AA.3 Public Hearing and Consideration of an Ordinance to Amend the Zoning Code and Text Regulating Shopping Center Parking Standards (AF: 289-2010) City Planner Karen Combs gave details on this item noting that they are recommending four parking spaces per 1,000 square feet of building ground coverage for shopping centers. Mayor Phillips commented that you can have too much parking. Vice Mayor Mallicote asked if the parking lots could be more pedestrian friendly. Ms. Combs replied that they try to work with the developers to create a pedestrian friendly

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development. Planning Manager Alan Webb noted that in the B-4P Planned Business District, brick pavers are required to designate walkways in the parking lot.

VI.AA.4 Public Hearing and Consideration of an Ordinance to Amend the Zoning Code and Text Governing Development Plans and Building Permits in the B-4P Planned Business District (AF: 290-2010) City Planner Karen Combs noted that this item is presented to clarify the ordinance that governs zoning in the B-4P Planned Business District.

VI.B.2 Consideration of an Ordinance to Amend Various Projects and Operating Budgets by Transferring Funds (AF: 309-2010) City Manager Campbell noted that money from the Kingsport Higher Education Center project was being moved to the Hunter Wright Stadium project and other projects.

VI.B.3 Consideration of an Ordinance to Amend the Fleet Fund by Appropriating Funds to Purchase Six Additional Police Sedans, One Automated Refuse Truck and an Industry Drive Fuel Site Upgrade (AF:310-2010) Public Works Director Ryan McReynolds explained that the need for a new refuse truck was due to annexations. The number of pickups a day per truck is around 1,000 which really should be 800. He further explained that so far this year we have spent approximately \$12,000 in overtime. He added that the cost of this garbage truck has been presented to the Board in all the annexation plan of services. He noted that they need to be prepared on the front end with the garbage truck and added that this would be preparing us to provide good service. City Manager Campbell recalled that with the automated garbage in Mount Carmel we had to pick up another truck as a backup. And with the annexation in the next few months, the problem is that we do not have enough backup trucks if one was down for repairs. Mayor Phillips asked how many more customers do we have today than when we started doing Mount Carmel. The answer was 2,000 more.

Fleet Manager Steve Hightower explained to the Board that purchasing six police cruisers now rather than next year would save the City approximately \$32,000 due to a model change and an expected price increase in 2012. After a brief discussion, Mayor Phillips concurred that we need to make the purchase now.

VI.B.4 Consideration of a Resolution Authorizing a Three Year Capital Outlay Note and an Ordinance Appropriating Funds from the Fleet Fund for the Purchase of the Voice Over Internet Protocol Telephone System (AF: 319-2010) Assistant to the City Manager Chris McCartt presented this item. Mr. McCartt stated that this project was being examined in order to improve the present telephone service and reduce cost. He noted that the current system (Centrex) is old and has not been updated in two decades. He added that we do not own this system, but we are renting the system. He stated that staff sat down and evaluated the present system and looked at options of how to improve efficiency and lower costs. It was determined that

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upgrading the present system was not an option. Staff made the decision to put out a bid in July and had two companies bid on the project (Century Link and BCTI). Mr. McCartt explained the advantages of the new system. The cost, not including long distance, is \$18,000 per month for the existing telephone service. With the anticipated rate increase from Century Link the cost per month would be approximately \$24,000 per month. The cost of the new system cost would be \$721,000, which includes equipment, installation, deployment, five year support and wiring upgrades. He stated that after examining all options available to purchase this system they decided on an interfund loan. Mr. McCartt noted that we are looking at a savings of \$3,000 per month. Mayor Phillips had three concerns 1) the danger of borrowing \$721,000 from Fleet Fund, 2) item not in budget, and 3) if saving \$3,000 what is downside. Alderman Munsey commended Mr. McCartt for the work he had done and agreed that the need is there, but the timing is inappropriate. Vice Mayor Mallicote voiced his concern that the expenditure was not in the budget. Mayor Phillips suggested pulling this item and asked Mr. McCartt to get the best deal from Century Link.

VI.D.2 Consideration of a Resolution Authorizing the Reimbursement of Materials Agreement Fund to George Hunt for Hunt's Crossing Phase II Development (AF: 293-2010) Alderman Munsey questioned that when the developer installs the line and the City reimburses him there is no guarantee that he will ever do anything. He added that the City puts money up front, but it could be years before we see the benefits. Joh agreed that the numbers did look strange, but stated that the materials agreement has brought developers back to Kingsport.

VI.D.3 Consideration of a Resolution Authorizing the Mayor to Execute all Documents Necessary for Participation in the Early Retiree Reinsurance Program through the Department of Health and Human Services (AF: 308-2010) Terri Evans, Risk Manager explained the Patient Protection & Affordable HealthCare Act. She noted that they are considering contracting with a third party to help with the application, provide actuaries analysis, accept data from a third party administrator, submit it in format required and follow up with us to ensure that we are receiving timely reimbursements on what we submit. The cost of the program would be \$5,000 up front and the they would retain a portion of any reimbursements we receive to cover their expenses. She added that they would receive 20% of the first \$100,000 of reimbursements and 10% of the second \$100,000. Alderman Munsey suggested putting a cap of some fixed amount in the contract. He added that it was always good to set a max when contracting with someone doing work on a percentage.

VI.D.4 Consideration of a Resolution Donating the Shelby Street Parking Lot to the Kingsport Economic Development Board (AF:313-2010) City Manager John Campbell stated that contrary to the headline in the Kingsport Times News, the KEDB did not contract with anyone. He explained the details on the construction of the parking garage. He noted that the funding for additional parking spaces will come from remaining funds from the close out of the Kingsport Higher Education Center project

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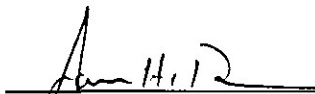
(\$513,000). Mayor Phillips concluded that we have \$4,100,000 million to build 323 spaces and \$395,000 surplus from the Higher Education Center would be used to complete extra parking spaces to make a total of 363 parking spaces. Mayor Phillips noted that the BMA has been assured that before any contract is signed we will see the final plans.

BOARD COMMENT. Mayor Phillips asked if someone would check business on Lynn Garden for safety.


PUBLIC COMMENT. Barbara Brown commended the Board for what they do. Ms. Brown also commented on several issues that came before the Board today.

Mary McNabb commented on the issue of changing the election date.

8. ADJOURN. Seeing no other matters presented for discussion at this work session, Mayor Phillips adjourned the meeting at 7:00 p.m.



JAMES H. DEMMING
City Recorder



DENNIS R. PHILLIPS
Mayor